Fraudulent cases of fictitious invocies

3982. SHRIMATI SHOBHANA BHARTIA: Will the Minister of FINANCE be pleased to state:

(a) whether Intelligence agency has unearthed major case of Cenvat running into crore of rupees;

(b) if so, whether in a nation-wide operation on 8th March, DGCEI raided the office and factory premises of Chandigarh-based pharmaceutical concern and large number of manufacturers and dealers in Ghaziabad and Noida;

(c) whether investigation conducted revealed that Ind Swift Group of Companies has taken credit worth crores of rupees on the basis of invoices of fictitious non-existent or non-registered manufacturers and dealers;

(d) whether detailed report had been submitted by DGCEI; and

(e) if so, action taken against those held responsible?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Yes, Madam. A major case of CENVAT credit misuse has been unearthed by the Directorate General of Central Excise Intelligence (DGCEI) against M/s Ind Swift Laboratories Ltd. Derabassi, near Chandigarh, M/s Ind Swift Ltd., Jammu and M/s Ind Swift Ltd., Panchkula, near Chandigarh. Nation-wide operation were conducted on 8th March, 2006. Preliminary investigations reveal that these units were fraudulently taking CENVAT credit on the basis of invoices issued by Ghaziabad and Noida-based dealers/manufacturers without actually receiving the capital goods. Most of the dealers/manufacturers do not exist or are not registered with the central excise department. The estimated duty evasion is Rs. 5.5 crores approximately. The party has already deposited Rs. 5.0 crores voluntarily. Investigations are being carried on. Report in this regard has submitted by DGCEI.

(e) On completion of the investigation, action under Central Excise Act, 1944 and the rules made thereunder will be taken against these companies and individuals found responsible.